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Congress of the United States
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MIGRATION AND INTERNATIONAL
ECONOMIC POLICY

May 5, 2021

The Honorable Janet Yellen
Secretary
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Yellen:

I write to urge the Department to pursue guidance, implementation, and an auditing process that shows deference and flexibility to local leaders as they determine the best uses for American Rescue Plan (ARP) funds, allowing them to build back better with long-term impact. I am so pleased the ARP will provide relief for local governments that have worked tirelessly to provide necessary services to our constituents throughout the pandemic. I am also grateful to the Department for its work to ensure that the resources provided by Congress do, indeed, offer substantive relief to these municipalities, allowing them to rebound in the post-COVID era without posing an undue burden or new obstacles to a full and successful recovery.

Since the earliest days of the pandemic, I have convened the 21 local government administrations of Michigan's 9th District for regular check-ins. In our first meeting, local leaders began forecasting the budget challenges ahead, prompting me to advocate fiercely for direct relief for these governments. I am thrilled that the ARP provided such relief, allowing communities to keep first responders, frontline health workers, teachers, and others providing vital services on the payroll. I am committed to making every dollar of these funds go as far as possible. I believe the best way to do this is to capitalize on local leaders' experience, knowledge and creativity, allowing them to designate ARP funds in the manner that has the biggest, most lasting impact.

To that end, I ask respectfully that Treasury demonstrate deference and flexibility when formulating implementation guidance, especially around allowable infrastructure uses of ARP funds and the definition of spending responding to negative impacts of the pandemic. I am concerned that, in implementing the CARES Act, the Department was overly restrictive. For example, under the previous administration, a MI-09 city manager was not allowed to use CARES Act funds to purchase a new ambulance because it was the opinion, based on initial CARES guidance, that this ambulance could be available for non-pandemic purposes in addition to pandemic-related responses. I believe this ambulance—critical to preserving Michiganders'

wellbeing amidst a public health emergency—should have been an obvious and allowable use of funds.

Providing greater flexibility will help ensure ARP funds are used for maximum, long-term impact. For example, one MI-09 community has shared that, rather than providing direct relief to businesses, which will have a short-term impact, they hope to fund a façade improvement program to help make businesses more resilient in the long-term. Another community leader hopes to fund the improvement of their parks and playgrounds, arguing that COVID-19's impact on young people's mental health and limited access to play would warrant such an expense. Finally, the pandemic laid bare massive disparities in Americans' access to key resources, such as clean water and broadband. I hope the Department will allow communities to use ARP funds to meet these infrastructure needs and mitigate those disparities, which, if allowed to persist, will keep our communities from building back better in an equitable way.

While I support flexibility that empowers American communities to make decisions on the best use of ARP funds, I am also absolutely committed to robust oversight that ensures funds are not misused or abused. I believe the best way to achieve this is through a supportive auditing process that offers communities clear, comprehensive guidance and open lines of communication. I urge the Department to, whenever possible, afford communities opportunities to seek clarity on allowable spending before it occurs, thereby saving the Department the trouble of deeming projects ineligible for ARP funds after they have been completed. I also ask that the Department develop reporting processes that are manageable for small governments, which strive to be responsible stewards of federal dollars without the benefit of dedicated compliance departments that larger cities often have at their disposal.

Thank you in advance for your consideration of these requests. In conversations amongst our staffs, my team has been heartened by the Department's responsiveness and understanding of the challenges MI-09 communities face. I especially appreciate the help Craig Radcliffe from Treasury's Office of Legislative Affairs provided to my staff in April, as he offered useful guidance on ARP implementation. I am grateful for your partnership and am committed to working with you to see ARP funds transform American communities for the better.

Sincerely,

A handwritten signature in blue ink that reads "Andy Levin". The signature is fluid and cursive, with the first name "Andy" and last name "Levin" clearly distinguishable.

ANDY LEVIN
Member of Congress